



## The Medicare Drug Benefit: What You Need to Know

- 1. What is the Medicare prescription drug benefit?**

**Medicare's drug benefit (Part D) is drug coverage available through private companies.** To get this coverage, you need to choose and enroll in a plan. If you want drug coverage and

  - **you have Original Medicare** and want to stay with it, choose a stand-alone drug plan that just offers drug coverage (PDP).
  - **you have a private health plan** (an HMO or PPO) and you want to keep it, get drug coverage from that same company.
- 2. Do I have to get the Medicare prescription drug benefit?**

**No.** Enrollment in the benefit is optional. Whether it will help you depends on your circumstances.

**If you have drug coverage as good as or better than Medicare's** ("creditable") you can keep it without penalty. **If you do *not* have coverage as good as Medicare's**, and you don't enroll when you are first eligible, you will pay a penalty if you enroll later. Find out from whoever provides your coverage whether it is creditable.
- 3. How much do I pay for drug coverage?**

**Each private plan has different costs.** With most you pay a monthly premium, an annual deductible (no more than \$265 in 2007), and part of the cost of each prescription (copayments or coinsurances) until you have paid a certain amount. Then you will likely have to pay the full cost of your drugs for a period of time (coverage gap). If you spend up to the annual limit in out-of-pocket drug costs (\$3,850 in 2007), you will pay no more than 5 percent for each prescription (plus the premium). **If your income is very low**, you can get Extra Help to pay for most of these costs (see reverse).
- 4. Will all my drugs be covered?**

**Each private plan has its own list of covered drugs** (formulary) with different costs and restrictions. You pay the full cost of non-covered drugs and for prescriptions from out-of-network pharmacies.
- 5. How will it work with my current coverage?**

**It depends on your current coverage.** Call the company that provides your coverage to find out if and how it will work with the Medicare drug benefit.
- 6. When can I enroll in or change my choice of a Part D plan?**

You can first enroll when you become eligible for Medicare. You can enroll in or change plans during the Annual Coordinated Election Period (Nov. 15 to Dec. 31). If you do not enroll when first eligible, and do not have drug coverage as good as Medicare's benefit ("creditable"), you may pay a penalty. If you qualify for Extra Help and enroll in a plan in 2006, you will not pay a penalty (see reverse).
- 7. How do I find out about plans?**

**You can visit [www.medicare.gov](http://www.medicare.gov) or call 800-MEDICARE (800-633-4227) or [www.medicarerights.org/help.html](http://www.medicarerights.org/help.html) for easy-to-understand Medicare information.**

# Get Extra Help Paying for Drugs If Your Income Is Low

## Will I get help paying for my Medicare drug benefit if my income is low?

You may qualify for the Extra Help—a federal program that helps you pay for most of the costs of Medicare drug coverage—if your 2006 income is below \$14,700 (\$19,800 for couples) and your resources are less than \$11,500 (\$23,000 for couples). The amount of assistance you qualify for will depend on your income (see chart below).

## How do I get Extra Help to pay for my Medicare drug costs?

- If you have Medicaid or a Medicare Savings Program (MSP), or you receive Supplemental Security Income (SSI), you automatically qualify for Extra Help—you do not have to apply.
- If you do **not** have Medicaid, an MSP or SSI, you should apply for help through the Social Security Administration (SSA) using the agency's print or online application ([www.ssa.gov](http://www.ssa.gov)).
- When you submit your application through SSA, you can simply state that your income and assets qualify you; you will not have to provide proof.

## What do I do after I get Extra Help?

**You should choose and enroll in a Medicare private drug plan.** If you do not, you will be automatically enrolled in a plan that may not fit your needs. Pick one that covers your medications and works at the pharmacies you prefer and has a premium that is fully covered by Extra Help. Enroll in 2006 and you will not have to pay a penalty for late enrollment.

If you have Medicare...	And your assets are	Then your premium and deductible are	And your copay in 2007 is
And have Medicaid and			
2006 monthly income below \$817—\$1,100 for couples (100% FPL)	State Medicaid asset test applies.	Full Extra Help: \$0*	\$1/generic, \$3.10/brand-name (no copay after \$5,451.25 in total drug costs)
2006 monthly income above \$817—\$1,100 for couples (100% FPL includes Medicaid spend-down)		Full Extra Help: \$0*	\$2.15/generic, \$5.35 brand-name (no copay after \$5,451.25 in total drug costs)
And do not have Medicaid and			
2006 monthly income below \$1,103—\$1,485 for couples (135% FPL)	Below \$7,500 for individuals and \$12,000 for couples	Full Extra Help: \$0*	\$2.15/generic, \$5.35 brand-name (no copay after \$5,451.25 in total drug costs)
2006 monthly income below \$1,226—\$1,651 for couples (150% FPL)	Below \$11,500 for individuals and \$23,000 for couples	Partial Extra Help: Sliding scale monthly premium and \$53 deductible in 2007	15% coinsurance (\$2.15/generic and \$5.35/brand-name copay after \$5,451.25 in total drug costs)

\*Your premium is free if you choose a plan that offers basic coverage at or below the Extra Help Premium amount for your area.

- Federal poverty levels change every year. They will be higher in 2007. Limits are higher if there are more than two people in your household. Limits are also higher in Hawaii and Alaska and may vary in U.S. Territories.